Data Sources

Federal Funds Data. The principal data source we use to indicate geographic dispersion of program funding is the Consolidated Federal Funds Reports data from the U.S. Department of Commerce, Bureau of the Census. We usually refer to these data as the Federal Funds data. Census collects these data annually from each Federal department or agency. We aggregated the latest available data (fiscal year 1995) to the county, State, region, and national level for each program. (Unless otherwise specified, references to years are fiscal years.) We have also computed per capita estimates by type of nonmetro county and type of State (the typologies are explained later in this appendix). These per capita estimates form the basis for our information indicating the types of rural places that are particularly affected by each program.

The Census data for 1995 covered 1,214 individual programs, but not all of these programs had reliable data at the county level. Each program has individual characteristics that affect the way the data show geographic patterns. For example, funds for many programs go directly to State capitals or regional centers that redistribute the money or program benefits to surrounding areas. Examples include block grant programs and some procurement programs that involve a substantial degree of subcontracting. Census screens the data to identify such programs, and we have added our own screen, which separates out those programs that allocate 25 percent or more of their funds to State capitals. We ended up with 744 programs that we believe are fairly accurate to the county level for 1995. For the screened-out programs, we believe it is only meaningful to indicate geographic variations among States but not among counties. Thus, for some of the programs, we provide county maps and statistics, while for others we rely on State maps and statistics. Appendix A lists the programs covered in this report, including the percentage of funds going to nonmetro counties (for programs deemed accurate to the county level) and the percentage of funds going to rural States (for all programs, including programs not deemed accurate to the county level).

The benefits of Federal programs do not all go to the places that receive funds. For example, money spent on national parks benefits all who visit the parks and not just those who live where the parks are located. Money going to USDA's county extension offices may be expected to provide services to surrounding multicounty areas. Similarly, rural electric loans go to borrowers who may be located in one county but provide electric service to a much wider, multi-county area. Such spillover benefits are present in almost all Federal programs and are not reflected in the Federal funds data. In addition, different programs affect communities in different ways and have different multiplier effects on local income, employment, and community well-being. Thus, even if the reported funding dispersion is considered to be an accurate depiction of where the funds are spent, care is required when interpreting the data as program effects.

Federal Funds data may represent either actual program expenditures or obligations, depending on the form of the data provided to Census. Direct loans and loan guarantees are reported according to the volume of loans obligated, and do not take into account interest receipts or principal payments. Consequently, these data do not always correspond to program totals reported in government budget documents, such as budget authority, outlays, or obligations (see definitions).

ERS' Federal Funds Data—sorted by type of county and State and used to produce tables, charts, and maps for this publication—will be available on CD-Rom, at a cost to be announced later, as one of ERS's Standard Data Products. *(Faqir Singh Bagi, 202-219-0546, fsbagi@econ.ag.gov; Samuel Calhoun, 202-219-0584, scalhoun@econ.ag.gov; and Rick Reeder, 202-219-0551, rreeder@econ.ag.gov)*

Budget Data. We obtained information on regulatory changes and recent changes in program funding levels, such as the level and change in funding from 1995 to 1996, from various sources, including *Congressional Quarterly Weekly Report*, the President's Fiscal Year 1998 Budget, the 1998 budget summaries provided by major government agencies, Congressional legislation, conference reports, and legislative summaries, and from the most recent Catalogue of Federal Domestic Assistance. In some cases, we contacted budget officials by phone to obtain information.

Population Data. Per capita funding amounts were estimated using 1995 county population estimates from the Bureau of the Census.

Minimum Wage Data: The data used in the minimum wage analysis are from the 1995 and 1996 Current Population Survey (CPS) earnings files. The data covered a 12-month period from October 1995 to September 1996. Beginning October 1996, the minimum wage was increased from $4.25 to $4.75 per hour. The earnings file is an extract of basic labor force items from the monthly CPS survey. In addition to the monthly labor force questions, in their fourth and eighth months of the sample rotation, respondents are asked additional questions about their job earnings. These include items such as usual hours worked last week, usual earnings per week, and the hourly rate of pay.

Total hourly earnings was computed by dividing usual weekly earnings by usual weekly hours. By using total hourly compensation, we took into account remunerations such as tips, overtime, and commissions that are not otherwise included in a straight hourly wage. Also it gave us estimates for salaried and other nonhourly workers that do not have an hourly wage rate reported. Many of these nonhourly workers have low earnings because of low salaries, or very high weekly earnings, or both. However, this measure of compensation presents other problems. In some cases, this measure of hourly compensation is more imprecise. According to research from the Bureau of Labor Statistics, respondents are more likely to under report total weekly earnings than hours, so the computed hourly earnings for some workers may be lower than the actual earnings.

Definitions

Typologies. Classification systems developed and periodically revised by ERS to group counties and States by economic and policy-relevant characteristics. The county typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR-89, U.S. Department of Agriculture, Economic Research Service, December 1994. The State typology codes were first developed in Elliot J. Dubin, *Geographic Distribution of Federal Funds in 1985*, Staff Report AGES89-7, U.S. Department of Agriculture, Economic Research Service, March 1989, and were revised for the 1996 Federal Funds *RCaT*.

County Economic Types (mutually exclusive; a county may fall into only one economic type):

Farming-dependent—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Mining-dependent—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Manufacturing-dependent—manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Government-dependent—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Service-dependent—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance and insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Nonspecialized—Counties not classified as a specialized economic type over the 3 years of 1987-89.

County Policy Types (overlapping; a county may fall into any number of these types):

Retirement-destination—The population aged 60 years and older in 1990 increased by 15 percent or more during 1980-90 through inmovement of people.

Federal lands—Federally owned lands made up 30 percent or more of a county's land in the year 1987.

Commuting—Workers aged 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

Persistent-poverty—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, and 1990.

Transfer-dependent—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over 3 years of 1987-1989.

State Types (the first three types are mutually exclusive; a State may fall into only one category; the remainder are overlapping)

Because many Federal programs do not have accurate county-level data, we developed a State typology to assist in differentiating among types of States and their funding levels. First, we categorized States into three groups (rural, urban, and other) based on the percentage of a State's population residing in urban parts of metro areas. We defined four other types of States: farming-dependent, persistent-poverty, retirement-destination, and Federal lands. In each case, we used the same kinds of measures that were used to construct ERS's county typologies. However, the cutoffs were lowered because States have more internal socioeconomic diversity than most counties.

ERS's State types are defined as follows:

Rural—In 1993, 45 percent or less of the State's population resided in urban areas within the metro areas.

Urban—In 1993, 70 percent or more of the State's population resided in urban portions of metro areas.

Other (neither urban nor rural)—More than 45 percent but less than 70 percent of the State's population in 1993 resided in urban portions of metro areas.

Farming-dependent—In 1991-93, 4 percent or more of the total labor and proprietor income came from farm labor and proprietor income.

Persistent-poverty—Fifteen percent or more of a State's persons had income below poverty in 1960, 1970, 1980, and 1990.

Retirement-destination—A State's aged (over 60) population in 1990 increased by 5 percent or more due to net inmigration from 1980 to 1990.

Federal lands—The Federal Government owns 28 percent or more of total land in the State.

These State types were illustrated in figures 1-5 of the 1996 Federal Programs *RCaT*.

Rural States include Alaska, Arkansas, Idaho, Iowa, Kentucky, Maine, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, South Dakota, Vermont, West Virginia, and Wyoming.

Urban States include Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Illinois, Maryland, Massachusetts, Nevada, New Jersey, New York, Rhode Island, Texas, and Utah.

Other States include Alabama, Georgia, Indiana, Kansas, Louisiana, Michigan, Minnesota, Missouri, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Virginia, Washington, and Wisconsin.

Farm-dependent States include Arkansas, Idaho, Iowa, Kansas, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

Poverty States include Alabama, Alaska, Arkansas, District of Columbia, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, South Carolina, South Dakota, Tennessee, and West Virginia.

Retirement-destination States include Arizona, Florida, Hawaii, Idaho, Nevada, New Mexico, North Carolina, Oregon, South Carolina, Utah, and Washington.

Federal lands States include Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Regions

Census Regions—We used the conventional four Census-defined regions as follows:

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

In most cases, we used only the nonmetro portion of these regions when referring to county level data variations.

Other Definitions

Metro and Nonmetro Areas

Metro areas. Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data through 1993 categorizes counties as metro and nonmetro based on population and commuting data from the 1980 Census. Throughout *Rural Conditions and Trends*, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

Nonmetro areas. These are counties outside metro area boundaries. In *Rural Conditions and Trends*, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

Rural-Urban Continuum County Codes

Classification system developed by ERS to group counties by the size of their urban population and the adjacency to metropolitan areas. (See Margaret A. Butler and Calvin L. Beale; *Rural-Urban Continuum Codes for Metro and Nonmetro Counties, 1993*, AGES 8428, U.S. Department of Agriculture, Economic Research Service, September 1994).

Metro counties—

Central counties of metro areas of 1 million population or more.

Fringe counties of metro areas of 1 million population or more.

Counties in metro areas of 250,000 to 1 million population.

Counties in metro areas of fewer than 250,000 population.

Nonmetro counties—-

Urban population of 20,000 or more, adjacent to a metro area.

Urban population of 20,000 or more, not adjacent to a metro area.

Urban population of 2,500 to 19,999, adjacent to a metro area.

Urban population of 2,500 to 19,999, not adjacent to a metro area.

Completely rural or less than 2,500 urban population, adjacent to a metro area.

Completely rural or less than 2,500 urban population, not adjacent to a metro area.

Nonmetro adjacent counties—

Nonmetro counties physically adjacent to one or more metro areas and having at least 2 percent of the employment labor force in the county commuting to the central metro county.

Budgetary Terms

Budget authority. The authority becoming available during the year to enter into obligations that will result in immediate or future outlays of government funds. In some cases, budget authority can be carried over to following years. It can take the form of appropriations, which permit obligations to be incurred and payments to be made, or authority to borrow, or authority to contract in advance of separate appropriations. Supplemental appropriations provide budget authority when the need for funds is too urgent to be postponed until the next regular annual appropriations act.

Obligations incurred. Once budget authority is enacted, Government agencies may incur obligations to make payments. These include current liabilities for salaries, wages, and interests; contracts for purchase of supplies and equipment, construction, and the acquisition of office space, buildings, and land. For Federal credit programs, obligations are recorded in an amount equal to the estimated subsidy cost of direct loans and loan guarantees.

Outlays. This is the measure of government spending. Outlays are payments to liquidate obligations (other than repayment of debt), net of refunds and offsetting collections.

Direct loan. This is the disbursement of funds by the government to a non-Federal borrower under a contract that requires repayment, with or without interest.

Loan guarantee. This is any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender.

Fiscal year. A fiscal year is the government's accounting period. It begins October 1 and ends September 30, and is designated by the calendar year in which it ends.